# FALSE RIVER AIR PARK COMMISSION New Roads, Louisiana

### **ANNUAL FINANCIAL REPORT**

## As of and for the Year Ended December 31, 2011

A Joint Venture of the Police Jury of the Parish of Pointe Coupee And City of New Roads, Louisiana

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate, at the office of the parish clerk of court

Release Date 0CT 1 7 2012

DONALD C. De VILLE

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810

### FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISIANA

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### INDEPENDENT AUDITOR'S REPORT

May 10, 2012

Members of the Board of Directors False River Air Park Commission New Roads, Louisiana

I have audited the accompanying basic financial statements of False River Air Park Commission, as of and for the year ended December 31, 2011, as listed in the Table of Contents. The basic financial statements are the responsibility of False River Air Park Commission's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Governmental Auditing Standards</u>, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of False River Air Park Commission as of December 31, 2011, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

As described in Note 1 to the financial statements, the False River Air Park Commission has adopted the provisions of Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, in fiscal year 2011

Management has omitted the Management's Discussion and Analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

In accordance with <u>Government Auditing Standards</u>, I have also issued my report dated May 10, 2012, on my consideration of False River Air Park Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <u>Government Auditing Standards</u> and should be considered in assessing the results of my audit.

N. N. De Deville

## Basic Financial Statements

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

### FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISIANA STATEMENT OF NET ASSETS PROPRIETARY FUND December 31, 2011

ASSETS:	
Cash And Cash Equivalents	\$9,035
Investments - LAMP	778
Receivables from Other Governments-LADOTD	253,893
Receivables-Audit Fees	1,000
Prepaid Insurance	2,329
Capital assets, net of accumulated depreciation	4,966,068
Total Assets	5,233,103
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Accounts Payable	18, <b>198</b>
Employee Retirement Payable	1,491
Accrued Wages Payable	6,404
Construction Cost Payable	224,316
Retainage Payable	26,139
Total Liabilities	276,548
NET ASSETS:	
Investment in Capital Assets, net of debt	4,966,068
Unrestricted	(9,513)
Total Net Assets	4,956,555

### FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISIANA STATEMENT OF ACTIVITIES For the Year Ended December 31, 2011

	Program Revenues				Revenues and Increases (Decreases) in	
	•	Ор			Net Assets	
	Expenses	Charges for Services	Grants & Contributions	Capital Grants & Contributions	Governmental Activities	
BUSINESS-TYPE ACTIVITIES:						
Economic Development	\$476,407	\$146,016	\$107,522	\$832,383	609,514	
Total Business-Type Activites	476,407	146,016	107,522	832,383	609,514	
	0					
Investment Earnings Total general revenues and transfers						
				•		
	Change	in Net Assets			609,514	
	Net assets-	beginning			4,347,041	
	Net assets-	ending			4,956,555	

Net (Expenses)

### **FUND FINANCIAL STATEMENTS**

### FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISIANA STATEMENT OF NET ASSETS PROPRIETARY FUND December 31, 2011

ASSETS:	
Cash And Cash Equivalents	\$9,035
Investments - LAMP	778
Receivables from Other Governments-LADOTD	253,893
Receivables-Audit Fees	1,000
Prepaid Insurance	2,329
Capital assets, net of accumulated depreciation	4,966,068
Total Assets	5,233,103
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Accounts Payable	18,198
Employee Retirement Payable	1,491
Accrued Wages Payable	6,404
Construction Cost Payable	224,316
Retainage Payable	26,139
Total Liabilities	276,548
NET ASSETS:	
Investment in Capital Assets, net of debt	4,966,068
Unrestricted	(9,513)
Total Net Assets	4,956,555

### FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISINA

# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUND

### FOR THE YEAR ENDED DECEMBER 31, 2011

OPERATING REVENUE Charges for Service -	
Hangers	\$35,451
Leases, Lots, Etc	11,251
Fuel Sales	97,030
Miscellaneous	2,284
Total Operating Revenue	146,016
OPERATING EXPENSES	
Salaries and Benefits	44,645
Professional Services	6,050
Contract Labor	34,178
Insurance	12,164
Utilities	11,298
Fuel Purchase	87,307
Repairs and supplies	7,057
Telephone and internet service	5,649
Capital Outlays	24,410
All Other expenses	15,036
Depreciation	228,613
Total Operating Expenses	476,407
Operating Loss	(330,391)
NONOPERATING REVENUE	•
Interest Income	0
Capital Grants-State	832,383
Operating Grant-State	20,022
Operating Grants-Police Jury	37,500
Operating Grants-City	50,000
Total Nonoperating Revenue	939,905
Net Income (Loss)	609,514
Net Assets, Beginning of Year	4,347,041
Net Assets, End of Year	4,956,555

See accompanying notes to the basic financial statements

# FALSE RIVER AIR PARK COMMISSION NEW ROADS, LOUISIANA STATEMENT OF CASH FLOWS PROPPRIETARY FUND - ENTERPRISE FUND YEAR ENDED DECEMBER 31, 2011

### **Business Type Activities-Enterprise Fund**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and users	\$143,731
Cash paid to suppliers for Goods and Services	(197,579)
Cash paid to employees	(43,641)
Other operating revenues and expenses	28,570
Net Cash Provided (Used) by Operating Activities	(68,919)
CASH FLOWS FROM NON-OPERATING ACTIVITIES	
Operating grants	87,500
Net Cash Provided (Used) by Non-Operating Activities	87,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds for grants	715,281
Acquisition of capital assets	(850,779)
Net Cash Provided (Used) by Capital and Related Financing Activities	(135,498)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITEIS	0
Net Increase (Decrease) in Cash and Cash Equivalents	(116,917)
Beginning Cash and Cash Equivalents	125,952
Ending Cash and Cash Equivalents	9,035
Business Type Activities-Enterprise Fund	
Reconcilation of Operating Income to Net Cash (Used) in Operating Activitie	
Operating income (loss)	(330,391)
Adjustments to reconcile net operating loss to net cash provided (Used) by operating activities:	
Depreciation	228,613
Changes in assets and liabilities	
(Increases) Decreases in Receivables	5,041
(Increases) Decreases in Prepaid	(2,329)
increases (Decreases) in Accounts payable	30,147
Net Cash (Used) by Operating Activities	(68,919)

There were no noncash investing, capital and financing activities.

See accompanying notes to the basic financial statements

### Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Activities

The False River Air Park Commission (the "Commission") is a joint venture created by a resolution of the Pointe Coupee Parish Police Jury (the "Parish") and the City of New Roads (the "City") in May 1974. The Commission operates under a commission form of government and provides an airport authority under the provisions of Louisiana Revised Statutes (LRS) 2 131, et seg. Said Commission operates under the powers as outlined under LRS 2 135.

The Commission is composed of six members. Three are appointed by the Parish and three are appointed by the City

### **Reporting Entity**

For reporting purposes, the Commission is considered a component unit of the Pointe Coupee Parish Police Jury The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include

Appointing a voting majority of an organization's governing body, and

The ability of the primary government to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government

Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government

Organizations for which the reporting entity financial statements should be misleading if data of the organization is not included because of the nature or significance of the relationship

### **Basis of Presentation**

The accompanying financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board. (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **Measurement Focus and Basis of Accounting**

### **Fund Accounting**

The Commission uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Commission are classified into only a single category – proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows.

### Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator Proprietary funds include.

Enterprise Fund – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financial or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenue earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes

#### **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

### **Encumbrances**

The Commission does not follow the encumbrance method of accounting

#### **Budgets**

The Commission uses the following budget practices

- 1 Budgets are prepared for the Enterprise Fund on the GAAP basis and appropriations (unexpended budget balances) lapse at year end
- 2 Budgetary control is exercised at the line item level
- During the year, monthly budgetary comparison statements are used as a management tool to control operations. When necessary, the Commission adopts budget amendments which are included in minutes published in the official journal.

### Cash and Cash Equivalents

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the False River Air Park Commission's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the Commission are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

### **Accounts Receivables and Bad Debts**

Receivables consist of all revenues earned at year end and not yet received

The Commission uses the direct charge-off method because it does not cause a material departure form GAAP and it approximates the valuation method

### Inventories and Prepaid

Inventory of fuel is recorded using the FIFO method. Inventories for supplies are immaterial and are recorded as expenses when purchased

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements

### Capital Assets

Under GASB Statement No. 34, all capital assets, where owned by governmental-activities or business-type activities, are recorded and depreciated in the government-wide financial statements

Capital assets, including public domain infrastructure (e.g., runways, aprons and other assets that are immovable and of value only to the Commission) are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the net asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are completed. Interest incurred during the construction phase of the projects is reflected in the capitalized value of the asset constructed for proprietary funds. As of December 31, 2011, no interest has been capitalized on projects.

Capital assets are depreciated using the straight-line method over the following estimated useful lives

Description	Estimated Lives		
Buildings and improvements	20-40 Years		
Land improvements, runways, aprons and roads	20 Years		
Furniture and fixtures	5-10 Years		
Equipment	10 years		

### Fund Equity - Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the Sub-District implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used.

Non-spendable This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.

**<u>Restricted</u>** This classification includes amounts for which constraints have been placed on the use of resources are either

A Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments, or

B imposed by law through constitutional provisions or enabling legislation

<u>Committed</u> This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Sub-District. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Sub-District did not have any committed resources as of year-end

Assigned This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Sub-District that has the authority to assign amounts to be used for specific purposes. The Sub-District's management has not assigned any amounts at year-end.

<u>Unassigned</u> This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### 2. CASH AND CASH EQUIVALENTS

At December 31, 2011, the False River Air Park Commission has cash and cash equivalents (book balances) totaling \$9.035 as follows

Demand Accounts \$9,035

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the piedge of securities owned by the fiscal agent bank. The market value of the piedged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the piedging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the False River Air Park Commission had \$9,067, in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

#### 3. INVESTMENTS

Investments are categorized into these three categories of credit risk

- Insured or registered, or securities held by the Commission or its agent in the Commission's name
- 2 Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Commission's name
- 3 Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Commission's name

At December 31, 2010, the Commission's investment balances were as follows

				Carrying Amount			Total	
	Category		Fair Amortized			Carrying		
Type of Investment	1	2	3	Value	Cost	Cost	Amount	
	0	0	0	\$0	0	\$0	0	
	0	0	0	0	0	0	0	
Total	0	0	0					
Investments not subject to categorization								
Deferred compensation plan				0		0	0	
External Investment Pool (LAMP)				778		778	778	
Total investments				\$778	0	\$778	778	

LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R S 33 2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest risk, and foreign currency risk for all public entity investments

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools

- Credit risk LAMP is rated AAAm by Standard & Poor's
- <u>Custodial credit risk</u> LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool, therefore, no disclosure is required.
- Concentration of credit risk Pooled investments are excluded from the 5 percent disclosure requirement
- <u>Interest rate risk</u> 2a7- like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement
- Foreign currency risk Not applicable to 2a7-like pools

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company

#### 4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, is as follows

	Beginning Balance	Increases	Decreases	Ending Balance	
Business-Type activities	Dalance	increases	Decicases	Dalance	
Capital assets, not being depreciated					
Land	\$1,756,403	0	0	\$1,756,403	
Construction in progress	145,296	469,626	145,296	469,626	
Total capital assets, not being depreciated	1,901,699	469,626	145,296		
Capital assets being depreciated					
Buildings	686,303	0	0	686,303	1
Improvements other than buildings	701,369	0	0	701,369	
Equipment and furniture	146,681	0	0	146,681	
Runways, aprons and roads	3,650,551	536,421	0	4,186,972	
Total capital assets being depreciated	5,184,904 536,421 0		0	5,721,325	
Less accumulated depreciation for					
Buildings	106,535	22,760	0	129,295	
Improvements other than buildings	322,727	35,068	0	357,795	
Runways, aprons and roads	2,225,221	162,293	0	2,387,514	
Equipment	98,190	8,492	0	106,682	
Total accumulated depreciation	2,752,673	228,613	0	2,981,286	
Total business-type activities capital assets, net	4,333,930	777,434	145,296	4,966,068	

Since its inception in 1974, equipment and improvements have been contributed by the Louisiana Office of Aviation, originally under the Louisiana Department of Public Works and presently under the Louisiana Department of Transportation and Development and jointly by the Parish and City—Because of the inability to obtain cost data necessary for accurate accountability, these assets are not included in capital assets—Consequently, capital assets as presented above represent only those assets and improvements disbursed by the Commission for the years after December 31, 1985

#### 5. RETIREMENT SYSTEMS

Plan Description Substantially all employees of the Commission are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana. 70898-4619, or by calling (504) 928-1361.

Funding Policy Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Commission are established and may be amended by state statute. As provided by R.S. 11.103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. [The Commission's contributions to the System under Plan A for the years ending December 31, 2011, December 31, 2010, and December 31, 2009, were \$5,965, \$4,287, and \$4,287, respectively, equal to the required contributions for each year.

#### 6. OTHER POSTEMPLOYMENT BENEFITS

The Commission does not offer any post retirement benefits

#### 7. OPERATONG GRANTS

Annual appropriations are made by the Parish and City to defer the operating costs of the False River Air Park. These appropriations are budgeted by the governmental entities and are susceptible to change depending upon economic conditions and the financial burden of their respective operations.

#### 8. COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature no compensation was paid to board members

#### 9. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the Commission as of December 31, 2011

The Commission's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the Commission's financial statements

No claims were paid out or litigation costs incurred during the years ended December 31, 2011

### 10. RISK MANAGEMENT

The Commission is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Commission has purchase commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Commission's coverage.

#### 11. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through May 10, 2012, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2011

### **OTHER REPORTS**



Member American Institute CPAs Member Louisiana Society CPAs

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# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 10, 2012

Members of the Board of Directors False River Air Park Commission New Roads, Louisiana

I have audited the financial statements of the False River Air Park Commission as of and for the year ended December 31, 2011, and have issued my report thereon dated May 10, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing my audit, I considered False River Air Park Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether False River Air Park Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

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### **FALSE RIVER AIR PARK COMMISSION** PORT ALLEN, LOUISIANA SCHEDULE OF PRIOR YEAR'S FINDINGS FOR THE YEARS ENDED DECEMBER 31, 2011

Fiscal Year Finding

Corrective Initially Corrective Action Taken Action Re Occurred **Description of Finding** (Yes, No, Partially) Taken No

None

# FALSE RIVER AIR PARK COMMISSION PORT ALLEN, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COST FOR THE YEARS ENDED DECEMBER 31, 2011

### A. Summary of Auditor's Result

**Financial Statements** 

Type of auditor's report issued: Unqualified

- No material weaknesses identified.
- No significant deficiencies identified that are considered to a material weakness.

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

### B. Findings - Financial Statement Audit

None

### C. Management Letter

The auditor did not issue a management letter this year.

# FALSE RIVER AIR PARK COMMISSION PORT ALLEN, LOUISIANA CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2011

Not Applicable